Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

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PAGE 01 TOKYO 12661 121734Z
ACTION EB-08

INFO OCT-01 ISO-00 EA-12 DODE-00 NSAE-00 ICA-20
TRSE-00 SOE-02 DOE-15 CIAE-00 COME-00 AID-05 /063 W
----------110038 131041Z /21
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FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 9543

UNCLAS TOKYO 12661

EXCON

E.O. 11652: NA
TAGS: ESTC, JA
SUBJECT: DIB-678P PROCEDURE: ANELVA CORP.

REF: STATE 167348

1. EMBASSY RECOMMENDS THAT ANELVA CORP. (ANELVA), 8-1, YOTSUYA 5-CHOME, FUCHU-SHI, TOKYO 183, JAPAN, BE ACCEPTED AS A PARTICIPANT UNDER THE DIB-678P PROCEDURE. ANELVA APPEARS TO MEET REQUIREMENTS OF EXPORT ADMINISTRATION REGULATIONS, PART 373.3, IN TERMS OF (A) DIRECT APPOINTMENT AS A DISTRIBUTOR/AGENT BY AN AMERICAN EXPORTER, (B) STATUS OF DISTRIBUTION IN JAPAN OF THE COMMODITIES DESCRIBED IN THE 678P, AND (C) HAS PREREQUISITE VOLUME OF BUSINESS UNDER DISTRIBUTION LICENSE.

2. MR. SHIGERU MATSUZAWA, MANAGER, IMPORT AND EXPORT PROJECT MANAGEMENT, ANELVA CORP., STATED THE FOLLOWING IN REGARD TO ITS RELATIONS WITH VARIAN EXPORT CORP. (VARIAN), PALO ALTO, CALIF.:

- A) THE ORIGINAL AGREEMENT TO AUTHORIZE ANELVA TO ACT AS A NON-EXCLUSIVE DISTRIBUTOR IN JAPAN OF ALL PRODUCTS (MAINLY ANALYTICAL AND VACUUM EQUIPMENT) OF
UNCLASSIFIED

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PAGE 02 TOKYO 12661 121734Z

VARIAN ASSOCIATES INC., EAST SYRACUSE, N.Y., WAS SIGNED IN OCTOBER 1967 WHEN ANELVA WAS ESTABLISHED AS A JOINT VENTURE BETWEEN NIPPON ELECTRIC CO., LTD. (NEC), AND VARIAN ASSOCIATES (SEE PARA 3 BELOW). THE FIVE-YEAR AGREEMENT HAS AUTOMATICALLY BEEN EXTENDED TO DATE (EFFECTIVE APRIL 1, 1976 THROUGH MARCH 31, 1981. CONFIRMED BY EMBASSY).

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

- B) IN ORDER TO EXPEDITE THE INCREASED NUMBER OF SHIPMENTS TO ANELVA UNDER INDIVIDUAL EXPORT LICENSES, VARIAN OBTAINED A DISTRIBUTION LICENSE (D/L) FROM OEA/CD IN JULY 1974 UNDER THE DIB-678P PROCEDURE. VARIAN'S APPLICATION FOR A TWO-YEAR EXTENSION OF THE D/L WAS APPROVED BY OEA IN OCTOBER 1976. VARIAN RESUBMITTED A NEW D/L APPLICATION TO OEA WITH A NEW 678P SIGNED BY ANELVA, BECAUSE THE EXTENDED D/L, EFFECTIVE UNTIL OCTOBER 1978, BECAME INVALID WHEN THE DISTRIBUTOR MENTIONED IN THE ORIGINAL D/L CHANGED NAMES IN DECEMBER 1977 (SEE PARA 3 BELOW).

- C) MAJOR CUSTOMERS FOR VARIAN EQUIPMENT DISTRIBUTED BY ANELVA IN JAPAN INCLUDE (1) RESEARCH OR EXPERIMENTAL INSTITUTES OF MITI INDUSTRIAL SCIENCE AND TECHNOLOGY AGENCY; (2) SPACE DEVELOPMENT, NUCLEAR FUEL AND OTHER GOVERNMENT-AFFILIATED PUBLIC CORPORATIONS; (3) LEADING MANUFACTURERS, INCLUDING HITACHI, TOSHIBA, MATSUSHITA, NIPPON STEEL, TOYOTA MOTOR, SONY, ETC.; AND (4) PROMINENT UNIVERSITY LABORATORIES. THE NUMBER OF DELIVERIES RECEIVED BY ANELVA DURING THE FIRST HALF OF 1978 EXCEEDED 400, OR 60-70 PER MONTH. SIMILAR FREQUENCY IS ANTICIPATED IN THE SECOND HALF OF 1978 THROUGH 1979 AS STEADY DEMAND FOR VARIAN-MADE EQUIPMENT IS EXPECTED.

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3. OUR FINDINGS REVEALED THAT ANELVA, ORIGINALLY WITH THE ENGLISH NAME OF NIPPON ELECTRIC VARIAN LTD., AND JAPANESE NAME OF NICHIDEN VARIAN K. K., WAS FOUNDED OCTOBER 21, 1967 AS A JOINT VENTURE OF NEC (51 PCT) AND VARIAN ASSOCIATES (49 PCT) TO MANUFACTURE AND DISTRIBUTE ANALYTICAL AND VACUUM EQUIPMENT DEVELOPED BY THE TWO PARENT COMPANIES. THE FIRM'S PAID-IN CAPITAL WAS DOUBLED FROM THE ORIGINAL 360 MILLIONOVEN TO 720 MILLION YEN IN SEPTEMBER 1971. WHILE ITS JAPANESE NAME REMAINED UN-CHANGED, THE FIRM CHANGED ITS ENGLISH NAME TO ANELVA CORPORATION IN DECEMBER 1977 AT VARIAN'S REQUEST BECAUSE THE FIRM REDUCED CAPITAL TO 600 MILLION YEN WHEN THE SHARES OF THE PARENT COMPANIES PARTICIPATION WAS CHANGED TO NEC 81 PCT AND VARIAN ASSOCIATES 19 PCT.

- ANELVA, WITH 280 EMPLOYEES, IS CONSIDERED THE LEADING MANUFACTURER OF VACUUM EQUIPMENT IN JAPAN. BANKING SOURCES REPORTED TO EMBASSY THAT THEIR TRANSACTIONS WITH ANELVA HAVE CONSISTENTLY BEEN SATISFACTORY. SEE TOKYO 12112 (7/5/78) FOR EMBASSY WTDR ON ANELVA AND 18954 (12/9/77) FOR SAME ON NEC, ANELVA'S PARENT FIRM.
MANSFIELD

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

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20 Mar 2014
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